

Blue Granite Water Company
Operating Experience, Rate Base and Rate of Return
Combined Operations - Water and Sewer Service Territory 1 & 2
Docket No. 2019-290-WS
For the Test Year Ended June 30, 2019

Description	(1) Application Per Books \$	(2) Accounting & Pro Forma Adjustments \$		(3) After Accounting & Pro Forma Present \$	(4) Adjustments \$		(5) After Adjustments \$
<u>Operating Revenues</u>							
Service Revenues - Water	11,868,922	280,468	(1)	12,149,390	3,868,333	(40)	16,017,723
Service Revenues - Sewer	10,929,933	504,321	(2)	11,434,254	4,597,964	(41)	16,032,218
Miscellaneous Revenues	445,566	4,043	(3)	449,609	66,608	(42)	516,217
Uncollectible Accounts	(250,471)	(7,644)	(4)	(258,115)	(89,412)	(43)	(347,527)
Total Operating Revenues	22,993,950	781,188		23,775,138	8,443,493		32,218,631
<u>Maintenance Expenses</u>							
Salaries and Wages	2,670,783	(1,344,062)	(5)	1,326,721	0		1,326,721
Capitalized Time	(333,423)	73,614	(6)	(259,809)	0		(259,809)
Purchased Power	771,660	0	(7)	771,660	0		771,660
Purchased Sewer and Water - Pass Through	5,266,724	3,178,824	(8)	8,445,548	0		8,445,548
Maintenance and Repair	3,031,412	937,334	(9)	3,968,746	0		3,968,746
Maintenance Testing	314,455	(174,416)	(10)	140,039	0		140,039
Meter Reading	112,607	(72,815)	(11)	39,792	0		39,792
Chemicals	360,819	(99,043)	(12)	261,776	0		261,776
Transportation	238,985	(118,674)	(13)	120,311	0		120,311
Operating Exp. Charged to Plant	0	0		0	0		0
Total Maintenance Expenses	12,434,022	2,380,762		14,814,784	0		14,814,784
<u>General Expenses</u>							
Salaries and Wages	871,623	538,807	(14)	1,410,430	0		1,410,430
Office Supplies & Other Office Exp	1,980,731	(1,564,724)	(15)	416,007	0		416,007
Regulatory Commission Exp.	138,293	177,011	(16)	315,304	0		315,304
Pension & Other Benefits	779,623	(165,041)	(17)	614,582	0		614,582
Rent	97,022	84,839	(18)	181,861	0		181,861
Insurance	348,323	163,371	(19)	511,694	0		511,694
Office Utilities	491,952	(98,634)	(20)	393,318	0		393,318
Outside Services - Other	1,062,984	(188,889)	(21)	874,095	0		874,095
Non-Utility Misc Expense	442,691	(442,691)	(22)	0	0		0
Miscellaneous	61,301	4,566	(23)	65,867	0		65,867
Total General Expenses	6,274,543	(1,491,385)		4,783,158	0		4,783,158
<u>Other Expenses</u>							
Depreciation	1,788,412	1,494,488	(24)	3,282,900	0		3,282,900
Amortization of CIAC	(406,510)	(538,846)	(25)	(945,356)	0		(945,356)
Taxes Other Than Income	3,499,587	166,467	(26)	3,666,054	44,993	(44)	3,711,047
Income Taxes - Federal	(431,984)	(455,882)	(27)	(887,866)	1,675,500	(45)	787,634
Income Taxes - State	(185,161)	(5,016)	(28)	(190,177)	419,926	(46)	229,749
Sale of Utility Property	(20,253)	20,253	(29)	0	0		0
Amort. Investment Tax Credit	(8,854)	0		(8,854)	0		(8,854)
Amortization of PAA	(15,713)	0		(15,713)	0		(15,713)
Total Other Expenses	4,219,524	681,464		4,900,988	2,140,419		7,041,407
Total Operating Expenses	22,928,089	1,570,841		24,498,930	2,140,419		26,639,349
Net Operating Income	65,861	(789,653)		(723,792)	6,303,074		5,579,282
Customer Growth	0	0	(30)	0	84,188	(47)	84,188
Interest During Construction	(172,635)	172,635	(31)	0	0		0
Net Income (Loss) For Return	238,496	(962,288)		(723,792)	6,387,262		5,663,470
<u>Original Cost Rate Base:</u>							
Gross Plant In Service	103,656,698	415,288	(32)	104,071,986	0		104,071,986
Accumulated Depreciation	(16,190,845)	3,337,761	(33)	(12,853,084)	0		(12,853,084)
Net Plant In Service	87,465,853	3,753,049		91,218,902	0		91,218,902
Deferred Charges	0	4,818,974	(34)	4,818,974	0		4,818,974
Cash Working Capital	1,680,231	(286,181)	(35)	1,394,050	0		1,394,050
Contributions In Aid of Construction	(20,300,003)	2,205,788	(36)	(18,094,215)	0		(18,094,215)
Accumulated Deferred Income Taxes	(3,522,916)	0		(3,522,916)	0		(3,522,916)
Customer Deposits	(334,350)	0		(334,350)	0		(334,350)
Plant Held for Future Use	0	0	(37)	0	0		0
Plant Acquisition Adjustment	(831,277)	0		(831,277)	0		(831,277)
Excess Book Value	0	(464,646)	(38)	(464,646)	0		(464,646)
Total Rate Base	64,157,538	10,026,984		74,184,522	0		74,184,522
Return on Rate Base	0.37%			-0.98%			7.63%
Operating Margin	-6.91%			-11.46%			11.37%
Interest Expense	1,828,315	173,374	(39)	2,001,689	0		2,001,689